

January 12, 2012

**ITEM NO. B2**

**AUTHORIZATION TO ENTER INTO A CONTRACT WITH EDUCATIONAL DATA SYSTEMS, INC. TO PROVIDE TRAINING AND EMPLOYMENT PLACEMENT AT SUMMER FOOD AND GOLDEN DINER PROGRAM SITES**

To the Honorable Board of Commissioners:

**RECOMMENDATION**

It is recommended that the Board of Commissioners ("Board") authorize the Chief Executive Officer or his designee to execute a contract with Educational Data Systems, Inc. ("EDSI") for a 2 year base term in an amount not-to-exceed \$2,712,398.00, and with 2 one-year options, to provide training and subsidized work experiences for approximately 290 CHA residents at Summer Food Service Program ("SFSP") and Golden Diner Program ("GDP") sites.

**FUNDING SUMMARY**

General Fund

**Vendors:** Educational Data Systems, Inc.  
500 North Dearborn – Suite 850  
Chicago, Illinois 60610

**Specification No.:** 11-00815

**Contract Type:** Cost Reimbursement

**Contract Period:** Two (2) Years

**Aggregate Contract Amount:** \$2,712,398.00

**Option Period:** 2 One-Year Options

**Dates Advertised:** 9/29/11-11/3/11

**Pre-Proposal Conference:** 10/4/11

**Date Proposals Due:** 11/3/2011

**Advertisement Publications:**

Chicago Sun-Times Extra

Chicago Defender

**Number of Pick-Ups:** 7

**Number of Proposals Received:** 3

**Number of Vendors Solicited:** 292

MBE: 23 WBE: 44 DBE: 8

**Notification to Assist Agencies:** 70

**Educational Data Systems, Inc. M/W/DBE Participation:**

**Direct:** \_\_\_\_%MBE 20.3%WBE \_\_\_\_%DBE

**Indirect:** \_\_\_\_%MBE \_\_\_\_%WBE \_\_\_\_%DBE

**Waiver** \_\_\_\_

**Section 3:** 10 (#) Hiring \_\_\_\_ (\$) Subcontracting \_\_\_\_ (\$) Other Economic Opportunities

**GENERAL BACKGROUND**

The purpose of the Request for Proposal No. 11-00815 (the "RFP") was to solicit vendors to coordinate subsidized employment opportunities for CHA adults at SFSP and GDP sites.

**Summer Food Service Program:** The SFSP provides a nutritious breakfast and lunch to children between the ages of 3 to 18. In 2008, CHA began utilizing Summer Food sites located near CHA developments as a subsidized employment opportunity for CHA adults and incorporated both training and certification components. This contract creates jobs for CHA residents that would otherwise be filled with temporary city workers through the Chicago Department of Family and Support Services ("DFSS"). There are currently 43 SFSP sites located in CHA developments and scattered sites that serve as part of the City of Chicago's program through the Illinois State Board of Education. SFSP sites are open Monday to Friday for a period of 11 weeks during out of school time in the summer months. In 2011, the 43 Summer Food locations near CHA developments served more than 80,000 meals to CHA children.

In 2012 and 2013, approximately 90 CHA adult residents will be placed in subsidized employment each year at SFSP sites (approximately 180 CHA residents will be placed at SFSP sites during the 2-year contract term). These participants will be hired and trained by EDSI to work 6 hours per day, 5 days per week, for a total of 30 hours per week. Participants will receive minimum wage, currently \$8.25 per hour. The total maximum wages paid, inclusive of required insurance (e.g. FICA, workers compensation), for SFSP is budgeted at \$568,770.00.

**Golden Diner Program (GDP):** The City of Chicago's GDP provides nutritious full-course meals for seniors age 60 and older (and their spouse of any age) who may have limited mobility and lack the incentive to prepare meals and eat alone. The GDP, operated through the DFSS, provides healthy lunches to seniors 5 days per week, Monday through Friday. There are currently 22 Golden Diner sites in designated CHA senior buildings, and CHA has historically paid for the city workers at these sites. In 2010, CHA and DFSS incorporated a subsidized work component for CHA residents at GDP sites to create more employment and training opportunities for residents. In 2011, approximately 160,000 meals were served to CHA seniors through the GDP.

In 2012 and 2013, 2 CHA adult residents will be placed in subsidized employment at each GDP site for 6 hours per day, 5 days per week, for a total of 30 hours per week. Participants will receive the current minimum wage rate for the 10-12 month program period. During the 2-year contract term, approximately 110 CHA residents will be placed at GDP sites. The total maximum wages paid to CHA participants in the GDP, inclusive of FICA and worker's compensation, is budgeted at \$876,327.00.

Following a competitive procurement process, CHA is recommending EDSI to coordinate the requested services for the SFSP and GDP sites. For more than 17 years, EDSI has provided employment, training and workforce development services in the city of Chicago. EDSI currently operates Chicago ServiceWorks, the City's Workforce Center for Businesses in the Hospitality/Service sector. Additionally, EDSI has collaborated with CHA FamilyWorks providers to provide staff with training and education on hotel, restaurant, retail, customer service jobs and related employment services, and has received contracts to provide employment services through the Partnership for New Communities' Opportunity Chicago.

EDSI will work with residents to improve job skills, secure training and employment within the hospitality sector through these work experience programs. EDSI will provide participant recruitment, training, coaching and follow-up services including unsubsidized employment placement. EDSI will sub-contract with Hill Food Service Consulting to provide participants

with training needed to obtain the Food Service Certifications and Licensure. Educational Advantage will provide support for SFSP and GDP by monitoring workers at each program site, as well as provide permanent job placement assistance and related services.

### **PROCUREMENT HISTORY**

The CHA released and advertised an RFP on September 29, 2011 to solicit consultants and/or firms to coordinate subsidized employment opportunities for CHA adults at SFSP and GDP sites. The RFP was advertised in the Chicago Sun-Times, the Chicago Defender, Extra, the CHA website, and BuySpeed (e-procurement system). The CHA also directly solicited 292 firms, including 75 MBE/WBE/DBE firms. A pre-proposal meeting was held on October 4, 2011, with vendors representing eight (8) firms in attendance. The CHA received three (3) proposals on November 3, 2011. An evaluation committee consisting of five (5) members evaluated the proposals, which included a representative from the Central Advisory Council.

After the Evaluation Committee completed its analysis of the proposals, a competitive range was set and approved by the Contracting Officer. Three (3) firms were found to be within the competitive range, and were scheduled for oral presentations the week of November 21, 2011. During these meetings, negotiations were held, and best and final offers submitted by each firm. Based upon the evaluations of the written proposals, oral presentations and best and final offers, it was determined that EDSI would provide the best overall service and value to CHA. The EDSI average cost per participant of training and administering the work experience programs, not including wages is \$2,185.00 per year per participant. The average cost of other respondents was \$4,266.00 and \$8,357.00 per year per participant.

Based upon the foregoing, it is in the best interest of the CHA to authorize the Chief Executive Officer, or his designee, to enter into a contract with Educational Data Systems, Inc. for a 2 year base term in an amount not-to-exceed \$2,712,398.00, and with 2 one-year options, to provide training and subsidized work experiences for CHA residents at SFSP and GDP sites.

**RESOLUTION NO. 2012-CHA-6**

**WHEREAS,** the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated January 11, 2012, entitled "AUTHORIZATION TO ENTER INTO A CONTRACT WITH EDUCATIONAL DATA SYSTEMS, INC. TO PROVIDE TRAINING AND EMPLOYMENT PLACEMENT AT SUMMER FOOD AND GOLDEN DINER PROGRAM SITES"

**THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY**

**THAT,** the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a contract with Educational Data Systems, Inc. for a 2 year base term in an amount not-to-exceed \$2,712,398.00, and with 2 one-year options, to provide training and subsidized work experiences for CHA residents at the Summer Food Service Program and Golden Diner Program sites.

